



ASX ANNOUNCEMENT

13 OCTOBER 2026

HOT SPRINGS CONFIRMED AS PRIORITY TARGET AS INDEPENDENT REVIEW EXPANDS BATTEN'S POTENTIAL

HIGHLIGHTS

- Independent regional review by ERM, undertaken by geologists with direct field and research experience in McArthur Basin sediment-hosted zinc systems, identifies multiple high-priority targets supported by geophysics, geochemistry and geology
- ERM endorse Hot Spring as the Company's priority target at Batten; soil sampling recently completed with results expected in coming weeks
- Standout new target area at the ~12 km Berjaya corridor, a belt of AEM conductors at the Barney Creek Formation position – the host to HYC and Teena
- Daly geologists currently field-checking priority regional targets

Daly Resources Limited (ASX: DLY, "Daly" or the "Company") is pleased to report the outcomes of an independent regional appraisal of its 100%-owned Batten Project in the Northern Territory undertaken by ERM.

ERM is a global consultancy with specialist mining geology and mineral resource capabilities. ERM was engaged by Daly to provide an independent, project-wide assessment of the Batten Project and its regional target pipeline. The review was undertaken by industry-leading geologists with direct field and research experience in the sediment-hosted zinc systems of the McArthur Basin.

The review re-examined decades of historical exploration data across the 1,124 km² project using a mineral systems approach. It defined 22 targets and areas of interest prospective for McArthur River-style zinc-lead (silver) mineralisation, eleven of which are ranked Priority 1.

The review concludes that the Batten Trough remains under-explored. Shallowly dipping host sequences and limited effective subsurface testing have left high residual prospectivity in a fault zone that hosts the world-class McArthur River (HYC) deposit and the high-grade Teena deposit. The priority targets combine conductive responses in historical AEM surveys with pathfinder geochemistry and favourable sub-basin geology. Several priority targets have never been drill tested.

Hot Spring remains the focus of near-term activity, with soil sampling completed and environmental approval for drilling in place. Behind it, the Berjaya Corridor gives the Company a second, district-scale target area,

including the highest-ranked target in the review. Field reconnaissance of the corridor and other priority targets is now underway.

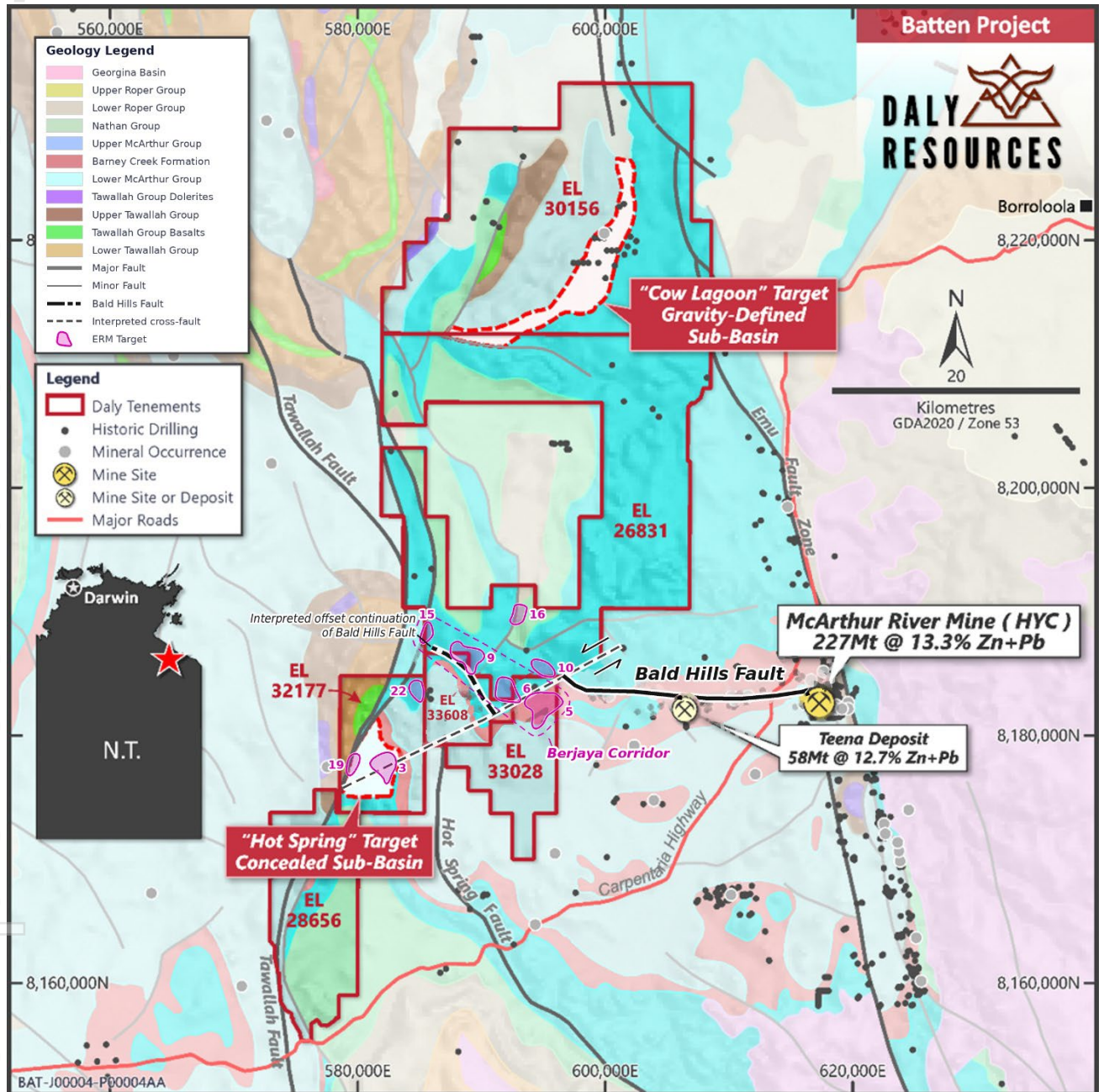


Figure 1: Batten Project tenure (red outlines) over simplified NT 1:250,000 geology, showing the ERM priority targets at Hot Spring and the newly identified Berjaya Corridor (Targets 15, 9, 6 and 5), together with nearby Targets 10, 16 and 22. Also shown are the Bald Hills Fault east of the cross-fault, through the Teena deposit to the McArthur River (HYC) mine, its interpreted offset continuation to the north-west and the interpreted NE-trending cross-fault. Targets: ERM (2026); structural interpretation: Daly Resources.

Executive Chairman Mike Edwards commented:

"We engaged ERM, a team with deep hands-on experience of the McArthur River district, to take a fresh, independent look at Batten, and the outcome has been very positive. Decades of historical exploration data have been re-examined through a modern mineral systems framework, and the result is a pipeline of high-priority targets backed by geophysics, geochemistry and geology that will be keeping the team busy."

"Hot Spring remains our lead target, and the review supports that. The appraisal has also changed how we see the Bald Hills structure. Our interpretation is that it is offset rather than continuing due west, which puts the Berjaya corridor directly along its trend. That is a new way of looking at the project and opens up ground that has seen very little effective drilling."

"Our field team is on the ground now, ground-truthing the highest-ranked regional targets while we await results from the Hot Spring soil program, with the aim of building a sequence of drill-ready targets behind Hot Spring."

REGIONAL APPRAISAL

ERM applied a mineral systems approach to the full historical dataset for the project, focusing on the fluid pathways, chemical traps and outflow signatures that control the location of HYC-style mineralisation at the tenement scale. The review team comprised geologists with direct field and research experience in the sediment-hosted zinc systems of the McArthur Basin.

Each target was scored on host stratigraphy, AEM response, surface geochemistry and structural setting, and was downgraded where historical exploration was considered to have adequately tested it.

The priority targets are defined by the coincidence of three independent lines of evidence:

Electromagnetic geophysics: historical AEM surveys over the project (QUESTEM, GEOTEM, TEMPEST and VTEM systems), compiled and reprocessed by CSIRO and the Northern Territory Geological Survey, were re-interpreted by ERM using conductivity depth slices. The carbonaceous and sulphidic Barney Creek Formation is expected to be conductive, with thickened sub-basin sequences producing stronger responses. The modern TEMPEST data define several discrete conductors within Daly's tenure, most of which lie at the interpreted Barney Creek Formation position (Figure 2).

AEM interpretation approach: ERM visualised the conductivity depth slices using a transparency approach, whereby progressively shallower conductivity responses are rendered more transparent. The broader conductive shale stratigraphy therefore appears as semi-transparent features, while stronger and deeper conductors stand out as solid bodies. This provides a more intuitive representation of the geometry of conductive units and their relationship to potential mineralisation. This is shown in Figure 2, where the AEM response is shown in orange, from pale and transparent (shallow) to solid dark orange (deep).

Geochemistry: regional stream sediment surveys by MMG (2014), BHP (1982) and MIM (1972–1994), together with prospect-scale soil surveys, were re-gridded and assessed. Arsenic, antimony, cadmium and thallium correlate with known mineralisation in the district and are considered effective pathfinders at Batten.

Geology: targets were assessed against government geological mapping, historical drill logs and airborne gravity gradiometry for evidence of the key HYC-style ingredients: prospective Barney Creek Formation at explorable depth, synclinal or fault-bounded sub-basin geometry, and proximity to growth faults that may have acted as conduits for mineralising fluids.

A key outcome of the appraisal is that the highest-ranked targets are concentrated in a single area in the south of the project, between Hot Spring and the Berjaya Corridor (Figures 1 and 2). Nine of the eleven Priority 1 targets lie within this area, including the five highest-scoring targets in the review (Targets 9, 3, 10, 15 and 19). The clustering reflects the coincidence of the Barney Creek Formation at or near surface, discrete AEM conductors and a structurally complex setting where the Tawallah, Hot Spring and Bald Hills fault systems converge.

REINTERPRETATION OF THE BALD HILLS FAULT

The Bald Hills Fault is the second-order structure conventionally interpreted to control the position of the HYC and Teena deposits. Its east-west trace between those deposits is well established, but its westward continuation onto Daly's tenure has been poorly defined. Integrating the ERM targeting with geological mapping and reprocessed AEM data, Daly now interprets the fault to be offset by a north-east-trending cross-fault, beyond which its continuation trends north-west beneath the Berjaya Corridor to terminate against the Tawallah Fault near Target 15 (Figures 1 and 2).

If correct, the reinterpretation places the Berjaya Corridor on the offset westward continuation of the structure that controls the HYC and Teena deposits, materially strengthening its prospectivity. The interpretation remains to be tested by the current field program and by follow-up geophysics.

NEW TARGET – THE BERJAYA CORRIDOR

The review has identified a north-west-trending belt of AEM conductors extending for approximately 12 km along the interpreted offset continuation of the Bald Hills Fault, referred to herein as the Berjaya Corridor (Figures 1 and 2). The corridor comprises Targets 15, 9, 6 and 5, all ranked Priority 1, and includes Target 9, the highest-ranked target in the review.

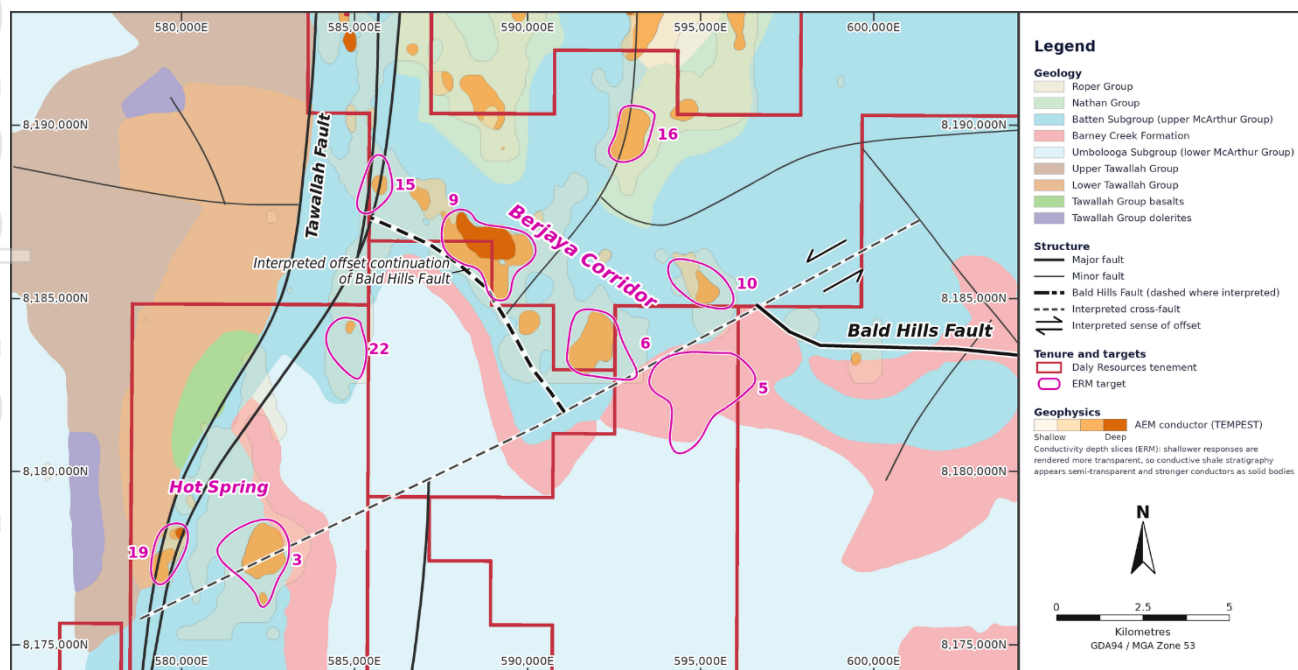


Figure 2: Berjaya Corridor and Hot Spring area. ERM targets over NTGS geology, with Daly tenements and TEMPEST AEM conductivity depth slices (CR2009-1023, Borroloola survey) shown in orange: shallower responses are more transparent and stronger, deeper conductors appear as solid bodies. Sources: ERM (2026), NTGS, Daly Resources.

The corridor is underlain by rocks of the Batten Subgroup (upper McArthur Group; Figures 1 and 2), concealed in part beneath a thin veneer of Cretaceous cover. These rocks overlie the interpreted position of the Barney Creek Formation, the host to the HYC and Teena deposits. Older rocks exposed in the core of a fold immediately to the south indicate that the Barney Creek Formation is likely to lie at shallow depth beneath the corridor. ERM's preferred interpretation is that the AEM conductors reflect this conductive, carbon- and sulphide-rich Barney Creek Formation. Surface geochemical anomalism is also associated with the southern part of the corridor.

- **Target 15:** a Priority 1 conductor at the north-western end of the corridor, on a splay of the Tawallah Fault and at the interpreted junction of the Bald Hills Fault continuation with the Tawallah Fault. Barney Creek Formation is interpreted beneath Hot Springs Member. ERM retains it as a priority on the basis of its structural setting.
- **Target 9:** the strongest conductor in the corridor and the highest-scoring target in the review, lying directly on the interpreted Bald Hills Fault continuation (Figure 2). A historical diamond hole drilled just south of the conductor did not reach the Barney Creek Formation. ERM interprets this as evidence that the formation dips more steeply and lies deeper than previously modelled, which may indicate a rapid change in stratigraphic thickness approaching a sub-basin - the key target geometry for HYC-style mineralisation.
- **Target 6:** a Priority 1 conductor within a syncline cored by Hot Springs Member, with a geochemical anomaly to the south. It has not been drilled. A historical hole to the south intersected Barney Creek Formation from approximately 30 m depth, supporting the presence of the target horizon at shallow depth in this part of the corridor.
- **Target 5:** a Priority 1 target under cover at the south-eastern end of the corridor, over the interpreted Barney Creek Formation position. It is defined in the older QUESTEM AEM survey rather than the TEMPEST data shown in Figure 2.

Three further Priority 1 targets lie close to the corridor (Figures 1 and 2):

- **Target 10:** an AEM conductor immediately north of the eastern end of the corridor, close to the junction of the Bald Hills Fault and the interpreted cross-fault, within a north-plunging syncline with associated geochemical anomalism to the north. Previous drilling at its north-western end supports the presence of Barney Creek Formation at explorable depths.
- **Target 16:** an AEM conductor north of the corridor at a complex fault junction between Nathan Group and Hot Springs Member that links to the Bald Hills structure.
- **Target 22:** an AEM feature across an interpreted fault-bounded syncline in a recessive area underlain by Hot Springs Member, west of the corridor. ERM interprets it as a possible graben or pull-apart sub-basin adjacent to a western controlling fault.

The remaining two Priority 1 targets, located elsewhere in the project, will also be assessed as part of the current field program.

HOT SPRING TARGET

The review independently supports Daly's assessment of Hot Spring, which ranks among the highest-scoring targets in the review and remains the Company's lead near-term target. The Barney Creek Formation is mapped at surface or interpreted at depths amenable to drill testing, and its juxtaposition against the older Tawallah

Group across the Tawallah Fault represents a structurally favourable position. While Target 9 achieved the highest individual score in ERM's regional target ranking, Hot Spring is more advanced, with soil sampling completed and environmental approval for drilling in place. Hot Spring comprises two targets (Figures 1 and 2):

- **Target 3:** AEM conductors in Hot Springs Member overlying the Barney Creek Formation, adjacent to a possible transverse basin structure that coincides with the interpreted NE-trending cross-fault. No historical drilling is recorded.
- **Target 19:** an AEM conductor proximal to the Hot Springs Fault, which ERM considers a likely controlling structure, upgrading the target. No historical drilling is recorded.

NEXT STEPS

A Daly field team is currently on the ground at Batten undertaking reconnaissance of the priority regional targets. The objective is to rapidly assess and rank the regional targets so that the most compelling can be advanced to soil geochemistry, geophysics and, ultimately, drill testing.

Results from the recently completed soil survey at Hot Spring are expected in the coming weeks. Environmental approval for drilling at Hot Spring is in place and the Company is seeking to secure an appropriate rig to test the target prior to the onset of the wet season.

– ENDS –

AUTHORISATION

This announcement has been authorised for release by the Board of Daly Resources Limited.

FOR FURTHER INFORMATION

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ABOUT DALY RESOURCES LIMITED

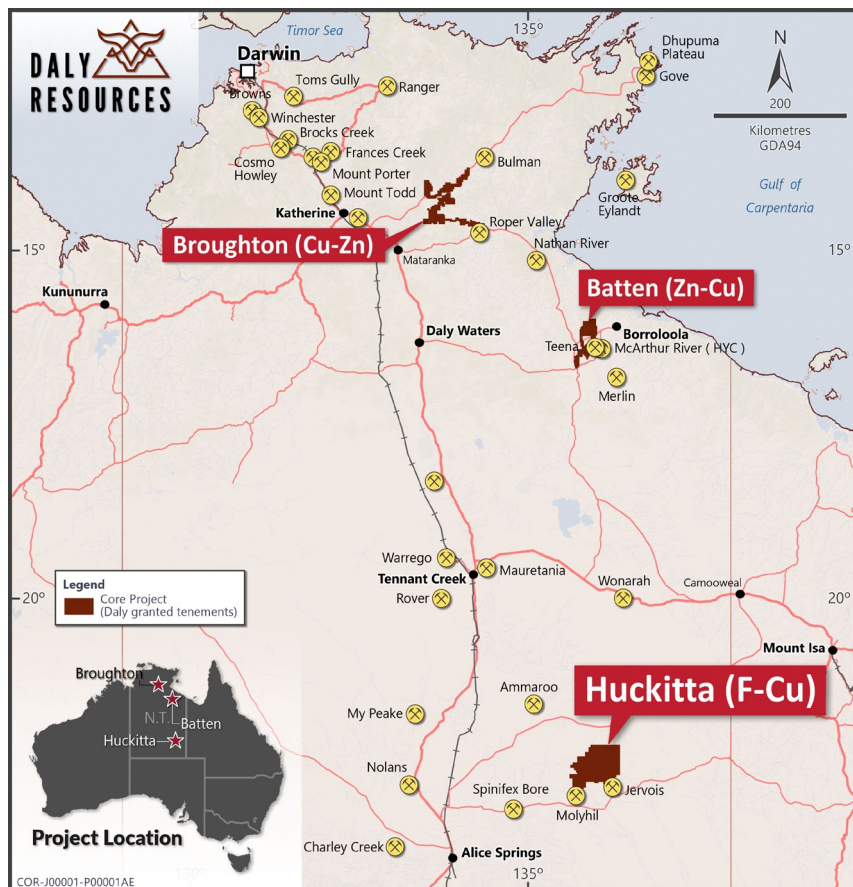
Daly Resources Limited (ASX: DLY) holds a portfolio of exploration projects covering more than 6,500 km² of granted tenure across the Northern Territory. The Company is exploring for fluorite, copper and zinc across three project areas: Huckitta, Broughton and Batten.

The Huckitta Project covers approximately 3,812 km² and is prospective for both fluorite and sediment-hosted copper mineralisation. Fluorite mineralisation at Huckitta is associated with the Huckitta/Sandover fluorite corridor, while the project also includes copper targets associated with prospective Georgina Basin stratigraphy.

The Broughton Project covers approximately 1,581 km² within the McArthur Basin and is targeting sediment-hosted copper-zinc mineralisation across a large, underexplored project area with prospective stratigraphy and widespread base metal anomalism.

The Batten Project covers approximately 1,124 km² and also lies within the McArthur Basin. Batten is prospective for SEDEX-style zinc-copper mineralisation associated with the Batten Fault Zone and is located near the major McArthur River (HYC) and Teena zinc deposits.

Collectively, Daly's portfolio provides exposure to district-scale discovery potential across multiple commodities and deposit styles within some of Australia's most prospective yet underexplored mineral provinces.



Map showing locations of Daly Resources projects

Competent Person Statement

The information in this announcement relating to Exploration Results is based on information compiled by Mr Daniel Greene, Exploration Manager and employee of Daly Resources Limited. Mr Greene is a Member of the Australasian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and deposit type under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Greene consents to the inclusion in this report of the matters based on his information, in the form and context in which they appear.

Historical Data

The Company considers the historical exploration datasets and results used in the review sufficiently reliable for the purpose of regional target generation and geological interpretation. The datasets were sourced from original company exploration reports and Northern Territory Government datasets, with the principal AEM datasets having been compiled, QA/QC'd and reprocessed by CSIRO and the NTGS. Daly has also undertaken spatial validation of historical sampling and drilling against original source records where available.

The targets are based on the integration of multiple geological, geophysical and geochemical datasets rather than reliance on any single historical result. Where analytical methods or other metadata are incomplete, those data have been used as qualitative regional targeting indicators only.

Forward Looking Statement

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

APPENDIX 1: JORC CODE, 2012 EDITION – TABLE 1

Section 1 – Sampling Techniques and Data		
Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	No new drilling, sampling or assay results are reported in this announcement. The announcement reports the results of an ERM desktop review and regional target-generation exercise based on historical geological, geochemical, geophysical and drilling datasets supplied by Daly Resources and available through Northern Territory Geological Survey datasets and historical exploration reports. ERM states that it relied on data supplied by Daly and did not undertake independent validation of the underlying historical data. Historical surface geochemistry reviewed included regional stream sediment datasets collected by MMG (2014), BHP (1982) and MIM (1972–1994), together with prospect-scale historical soil and rock-chip datasets. Sampling techniques vary between historical programs and in many cases are incompletely documented.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	No new drilling is reported. Historical diamond, RC and other drilling was reviewed by ERM where relevant to geological interpretation, stratigraphy and assessment of whether target areas had previously been effectively tested. Drilling methods and specifications vary between historical programs. No historical drill assay results are being reported in this announcement.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias	No new drilling or drill assay results are reported and drill sample recovery is therefore not material to the Exploration Results reported in this announcement. Historical drilling is used principally to constrain geological and stratigraphic interpretation and to assess the extent of previous exploration.

For personal use only	Logging	<i>may have occurred due to preferential loss/gain of fine/coarse material.</i> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i>	• No new drilling is reported. Historical drill logs and geological interpretations were reviewed where relevant to target assessment. In particular, historical drilling has been used to constrain the interpreted position and depth of the Barney Creek Formation and other prospective stratigraphy. The historical datasets span numerous explorers and periods and the nature and detail of logging varies between programs.
	Sub-sampling techniques and sample preparation	• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	• No sample results are reported. Historical surface geochemical datasets were compiled from previous exploration programs and NTGS databases. Sub-sampling and sample-preparation procedures are not consistently recorded for these historical programs. The data are therefore used primarily as regional exploration and targeting indicators rather than for Mineral Resource estimation or quantitative grade assessment.
	Quality of assay data and laboratory tests	• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	• No new assay results are reported. Analytical methods for a number of the historical geochemical datasets are not recorded in the available databases. For the 2014 MMG stream sediment dataset, ERM noted that sample locations were available but the Daly database contained only a limited analytical suite and did not fully capture the multiple sample fractions collected. ERM therefore used maximum values from available fractions in its derived grids. The BHP 1982 analytical method is not recorded; multiple size fractions were collected and ERM similarly used the maximum reported value for each element and location. The MIM 1972–1994 data comprise 80-mesh stream sediment samples analysed for Cu, Zn and Pb, with the analytical method not recorded. None of these derived grids was generated using catchment-based normalisation and they are interpreted in conjunction with underlying point data and geological context.

Verification of sampling and assaying	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• ERM relied on historical data provided by Daly Resources and did not independently validate the underlying datasets. Daly has previously undertaken spatial validation of historical Batten surface sampling and drilling data against original sources where available. The historical geochemical data have not been re-sampled or re-assayed as part of this review. ERM recommends further capture and integration of historical exploration data and additional field-based follow-up. Notwithstanding these limitations, the Competent Person considers the historical data sufficiently reliable for regional target generation and geological interpretation, having regard to the provenance of the datasets, Daly's spatial validation and the use of multiple independent datasets to support the target interpretations.
Location of data points	• <i>Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i>	• Historical exploration data were sourced principally from Daly's compiled database, NTGS datasets and historical company reports. The Daly prospectus records that historical data were originally extracted using GDA94 and that Daly subsequently undertook spatial validation of Batten surface sampling and drilling, including correction using registered maps or datum transformations where discrepancies were identified. Location accuracy varies between historical datasets and exploration vintages. The announcement maps are presented in MGA Zone 53.
Data spacing and distribution	• <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i>	• Data spacing varies substantially between datasets and across the project and reflects the regional and historical nature of the exploration. The data are not intended to establish geological or grade continuity for Mineral Resource estimation. The principal AEM datasets reviewed include: the 1992 QUESTEM Batten survey, approximately 5,753 line km at 1 km line spacing; the 1993 GEOTEM Emu Creek survey, approximately 1,429 line km at 500 m to 1 km spacing; and the 2007–2008 Borroloola surveys comprising regional TEMPEST coverage at 500 m to 1 km spacing and VTEM infill/target-scale surveys at approximately 180–500 m spacing.
Orientation of data in relation to geological structure	• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	• Historical geophysical and geochemical datasets were collected for a range of exploration objectives and orientations. ERM integrated these datasets with geological mapping and structural interpretation rather than relying on any single dataset. At the regional target-generation scale, no material sampling-orientation bias has been identified; however, the wide spacing and variable orientation of historical surveys are recognised limitations.
Sample security	• <i>The measures taken to ensure sample security.</i>	• No new physical samples or assay results are reported and sample security is therefore not applicable to the Exploration Results reported in this announcement. Historical sample-security procedures are generally not documented in the datasets reviewed.
Audits or reviews	• <i>The results of any audits or reviews of sampling techniques and data.</i>	• Historical AEM datasets were previously compiled, QA/QC'd and reprocessed by CSIRO and NTGS as part of DIP033. Conductivity-depth products were generated using EMFlow, with TEMPEST and GEOTEM datasets additionally inverted using GALEI and selected VTEM datasets using AarhusINV. ERM subsequently undertook an independent desktop review and reinterpretation of the geological, geochemical, geophysical and drilling datasets.

ERM notes that the older AEM surveys are comparatively noisy and provide lower confidence in conductor geometry than the more modern TEMPEST data

Section 2 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Batten Project is located in the Northern Territory and is 100% controlled by Daly Resources Limited through wholly owned subsidiaries Daly Tenements Pty Ltd and Glyde River Pty Ltd. Granted licences comprised EL26831, EL28656, EL30156, EL32177 and EL33028, with EL33608 an exploration licence application. A 1.5% net smelter return royalty in favour of Sandfire Resources exists over EL26831, EL28656 and EL30156, together with a registered mortgage securing the royalty obligations. The tenure is also subject to applicable pastoral land access, native title, Aboriginal heritage and environmental requirements. Native title determinations overlap substantial portions of the Batten tenure.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The Batten Project and surrounding Batten Fault Zone have a long history of exploration by numerous companies including CEC, AO/Shell, WMC, BHP, MIM, Rio Tinto, Sandfire, MMG and Teck. Historical work has included geological mapping, stream sediment and soil geochemistry, rock-chip sampling, airborne and ground electromagnetic surveys, IP, gravity and gravity gradiometry, magnetics, seismic surveys and RC and diamond drilling. ERM reviewed and integrated these historical datasets into the current regional target-generation exercise. The Daly prospectus records 1,193 soil samples, 3,282 stream sediment samples and 229 rock-chip samples in government records within the Batten tenure, together with 77 historical drillholes in the public-domain dataset.
Geology	Deposit type, geological setting and style of mineralisation.	The Batten Project lies within the Batten Fault Zone of the McArthur Basin, a Palaeoproterozoic rift-sag basin sequence. The principal exploration model is sediment-hosted/shale-hosted Zn-Pb-Ag mineralisation analogous to the McArthur River (HYC) and Teena systems. The principal conventional target horizon is the approximately 1,640 Ma Barney Creek Formation, a carbonaceous and sulphidic shale unit within the McArthur Group. ERM applied a mineral-systems approach focused on the structural pathways for mineralising fluids, suitable physical and chemical traps and outflow/geochemical signatures. ERM considers prospective sub-basin development, growth structures, prospective stratigraphy, conductivity and pathfinder geochemistry to be important targeting criteria.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar; elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole; down hole length and interception depth; hole length.	No new drilling or drill assay results are reported. Historical drilling is referred to only where it materially constrains stratigraphy or the assessment of whether a target has previously been tested. Relevant examples include BJR03 south of Target 6, which intersected Barney Creek Formation from approximately 30 m depth; BJD04 immediately south of Target 9, which was drilled to approximately 300.2 m and terminated in Hot Springs Member without intersecting the Barney Creek Formation; and historical holes NB18DD059 (569 m) and NB18DD051 (approximately 264 m) in the Target 10 area, which provide stratigraphic constraints. No mineralised intercepts from these holes are reported in this announcement. Accordingly, a full tabulation of historical drill collars and assay intervals is not considered material

	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	to understanding the regional target-generation results being reported.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	No drill assay aggregation or metal-equivalent calculations are reported. For historical stream sediment datasets containing multiple recorded size fractions or repeat results, ERM generated regional gridded products using the maximum available value at each sample location. The MMG and BHP grids were not normalised to individual catchment boundaries and should therefore be interpreted in conjunction with the underlying point data, geology and other exploration datasets. MIM stream sediment grids were similarly generated using maximum-value interpolation.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not applicable. No mineralised drill intercepts or mineralisation widths are reported in this announcement. Historical drillholes are referred to only for geological and stratigraphic context.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate project-scale and prospect-scale maps are included in the announcement. These show Daly tenure, regional geology, interpreted structures, ERM priority targets and conductivity responses from historical AEM surveys. Figure 2 illustrates the Hot Spring and Berjaya Corridor target areas together with TEMPEST conductivity-depth information and geological interpretation.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	ERM defined 22 targets and areas of interest, ranked using a prospectivity rubric incorporating stratigraphy, AEM response, surface geochemistry, structural setting and the extent of previous exploration. Eleven were assigned Priority 1. The review recognises significant limitations in the historical datasets. ERM notes that older AEM datasets are comparatively noisy and lower confidence, that some conductive responses may reflect cover or non-mineralised conductive stratigraphy, and that conductivity is not itself evidence of zinc-lead mineralisation. Carbonaceous and sulphidic Barney Creek Formation is inherently conductive and deep oxidation can also produce anomalous conductivity responses. Accordingly, the AEM features are used as exploration-

Other substantive exploration data		targeting criteria and require geological, geochemical, geophysical and ultimately drill testing.
	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	ERM reviewed regional geological mapping, historical drilling, historical stream sediment, soil and rock-chip geochemistry, AEM datasets including QUESTEM, GEOTEM, TEMPEST and VTEM, regional gravity datasets and a Falcon airborne gravity gradiometry survey over the Cow Lagoon area. Historical AEM products were sourced principally from the CSIRO/NTGS DIP033 compilation and reprocessing project. ERM used conductivity-depth slices and a transparency visualisation approach to assist recognition of conductive stratigraphy and discrete deeper conductive bodies. The modern TEMPEST data provide the highest-confidence AEM interpretation in the southern Batten tenure. ERM also notes that current AEM coverage has limitations for resolving deeper basin architecture
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Daly is undertaking field reconnaissance of the priority regional targets. Further work recommended by ERM includes field geological and sedimentological mapping, soil geochemistry, IP surveying where warranted and drill testing of prioritised targets where justified. ERM also recommends consideration of ZTEM/MT for improved regional basin interpretation, an orientation trial of ultra-fine-fraction geochemistry and reprocessing/interpretation of historical MMG/Sandfire IP data in the Berjaya area. At Hot Spring, soil sampling has recently been completed and the Company reports that environmental approval for drilling is in place.